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WEEKLY SUMMARY

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CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE



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GROUP I Excluded from automatic downgrading and declassification



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The Communist World

MOSCOW CONTINUES ANTI-CHINESE OFFENSIVE

Soviet pronouncements following Khrushchev's return from Hungary continue aggressive condemnation of Chinese "splitting activities." In a report to the Soviet people on 12 April, Khrushchev reiterated the "opinion" expressed in the Soviet-Hungarian communique that it is necessary "to give a resolute rebuff to the anti-Leninist conceptions and subversive activities of the Chinese leaders."

This "report," however, avoided any allusion to a world party conference, and Khrushchev proposed only "systematic meetings and consultations" to deal with the Chinese problem. No authoritative Soviet comment on this issue has been forthcoming since Prayda's 3 April publication of Suslov's speech calling for such a conference and of an editorial revealing its proposed timetable.

Although the USSR is publishing foreign party declarations favoring a conference, it clearly recognizes the obstacles involved and hesitates to make the issue a crucial test of allegiance to Moscow. Izvestia editor Adzhubey recently admitted that there were "certain problems" and that a conference would "almost certainly" not be convened before fall.

In the immediate future, the Soviets have little choice but to concentrate on winning maximum foreign support in denouncing what Khrushchev has termed Peiping's "foul betrayal" of the "revolutionary cause." The two main themes of Khrushchev's speeches last week

were clearly aimed at stimulating suspicions of Chinese intentions among foreign parties and at persuading them that the only way to protect their own interests is to support the Soviet position.

He charged that the Chinese hope to "establish their own hegemony" in the world Communist movement and "foist their anti-Leninist, adventurist line" on foreign parties. The USSR, on the other hand, has restored the "Leninist principle" of equality and independence among all parties. Khrushchev, in effect, is trying to convert Moscow's inability to enforce centralized discipline into an advantage in the struggle with the Chinese. But this emphasis on polycentric autonomy of all parties is incompatible with Soviet pressures to form a solid phalanx in the movement to condemn the Chinese.

Khrushchev's only answer to this dilemma has been to predict that Peiping's "absurd aspirations" will end in "shameful failure" and that the world movement will overcome its present difficulties and "emerge even stronger and more tempered from the struggle against the separatists."

The Chinese clearly feel that the tactics they have been pursuing are paying high dividends. When asked why they have not yet directly answered the Soviets, Chinese officials have reportedly stated, "What's the rush? We've still to print two more articles answering the Soviet party's open letter of last July."

25X1

The Communist World

FOOD SUPPLIES STILL TIGHT IN THE USSR

The Soviet diet is still suffering from the effects of last year's crop failure. In Moscow there has been a small improvement in the situation since midwinter, probably as a result of the wheat imports, but food supplies remain poor in other areas.

In Moscow, wheat flour was still unavailable as of 1 March. However, white bread is available frequently—although not in abundance—and rice and potato flour are plentiful.

The capital is obviously receiving preferential treat-ment. Only low-grade dark bread was sold in a number of cities visited by Western embassy of-

ficers in February, and butter and milk were scarce. In Yerevan only soggy dark bread was generally available, and butter, when put on sale, was rapidly sold out-citizens complained of waiting in queues for four hours at a time. In Odessa the Indian resident consul reported that his houseboy, when fetching milk, was frequently stopped by people wanting to know his source of supply.

The USSR's food situation is not likely to change much for the better--and could get worse--until the new crops begin to be harvested in June and July.

25X1

MOSCOW CONCERNED OVER INTERNAL ANTI-SOVIET ACTIVITY

Moscow seems increasingly concerned over signs of political disaffection among the population, and may be prepared to impose stricter measures against "anti-Soviet activities."

During the past few months, the regime has shown a renewed willingness to combat anti-Soviet propaganda, rumor mongering, and grumbling about internal conditions--particularly food shortages--through scare tactics and selective arrests

by the secret police. Since last fall, the KGB has charged several citizens with disseminating antiregime propaganda materials—both foreign and domestically produced—and with expressing "harmful political opinions." Those adjudged politically immature and properly repentant have been released with stern and well-publicized warnings. In almost every case, however, at least one defendant has gone to prison.

The Communist World

The effect of antiregime propaganda on the nation's youth seems to be a source of particular con-Most press accounts have claimed that the "provocative leaflets and rumors" were aimed primarily at young people, some of whom admittedly were influenced by hostile ideology." Youth boss Sergey Pavlov reportedly told a Komsomol conference last month that political disaffection among young people had reached "a rather alarming degree" in several provincial cities. While there is no confirmation of his remarks, every city mentioned in the report was either the site of KGB arrests for anti-Soviet activity or the scene of a strike over food shortages last fall.

Press treatment of these occurrences reflects a clear attempt to counter the influence of foreign broadcasts without a resumption of jamming and to discourage indiscriminate contacts with foreign tourists. Most of those arrested allegedly listened to the Voice of America, and some were accused of dispensing propaganda received from Western travelers. By depicting the culprits as greedy or well-to-do or as drunkards and idlers, Moscow is also seeking to suggest that economic crime and unacceptable social behavior are only a step removed from anti-Soviet activity.

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PEIPING EXPANDING WESTERN COMMERCE THROUGH TRADE FAIRS

Peiping is stepping up its commercial contacts with the West through an expanded program of trade fairs.

The first Chinese Communist trade fair in Japan since 1955 opened at Tokyo on 10 April for a three-week stand, and in June will move to Osaka for another three weeks. The fair consists of at least 10,000 "exhibitions" of consumer and industrial products. Last year, Japanese firms held trade fairs in Peiping and Shanghai. These increased commercial contacts are contributing to the growth of Sino-Japanese trade, which may reach a total of about \$200 million this year, about 40 percent above last year's \$137 million.

Peiping has also sent trade fairs to Latin America and Africa. The trade show which played Mexico City last year is now in Santiago, Chile. It had been scheduled to move to Brazil this spring prior to the change in regime there. Peiping has also announced plans to take part in the Casablanca trade fair this year and to build a permanent trade pavilion in Casablanca. Another Chinese trade fair recently played in Algiers and Bamako, Mali.

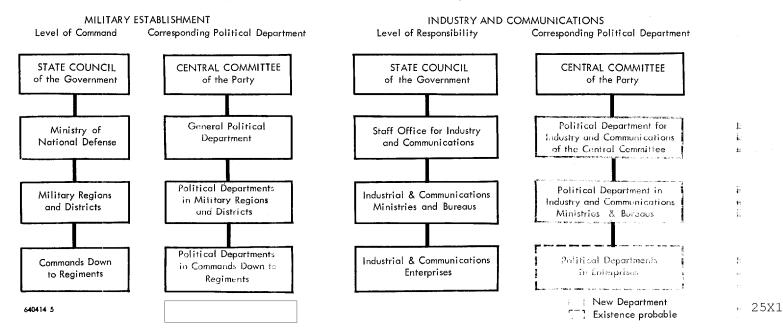
This year will see a flurry of Western trade fairs in China, the first--except for two small ones in mid-1963 -- since the Communist regime took over. The UK will stage a scientific instruments show in April, an exhibition of mining and construction equipment in June, and a large-scale general industrial trade fair in November in which more than a hundred firms will take part. This fall France will display products in the field of automation and machine measuring and control, and an exhibition of a wide range of French industrial products is planned for late 1965. West German firms are also reportedly planning a trade fair in Peiping late this year or early in 1965.

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COMMUNIST CHINA USES MILITARY MODEL FOR NEW POLITICAL ORGANS IN INDUSTRY AND COMMUNICATIONS

The political departments referred to below are responsible for indoctrination and surveillance. They should not be confused with the party committees and branches which exist in all military units and economic enterprises and which exercise supreme authority except in emergency situations where military commanders may make independent decisions. The political department is headed by a director. This individual is distinct from the ranking party authority in military units and economic enterprises.



The Communist World

PEIPING EXTENDS NETWORK FOR POLITICAL INDOCTRINATION

The Chinese Communists have recently created new political departments in the party central committee, in industrial ministries, and probably in enterprises. are designed to give the party closer direction and control over the growing amount of political work being carried on at all levels of Chinese society. The creation of permanent new indoctrination departments suggests that Peiping, concerned over its long-standing failure to arouse popular enthusiasm for its programs, now intends to sustain indoctrination at a high level rather than rely on periodic campaigns as in the past.

The new organs, patterned after the system for political indoctrination used by the People's Liberation Army (PLA), are the outgrowth of a campaign that began last January to have the "whole country learn from the PLA." A new Industry and Communications Political Department under the central committee for the first time gives the party center direct supervision over political work in economic as well as military units. The new body, the first new central committee department formed since about 1957, is analogous to the PLA's General Political Department, also directly subordinate to the central committee.

Political departments also have been established in the 15 industrial and communications ministries and in two bureaus, according to a 3 April announcement made following the First National Political Work Conference on Industry and

Communications. The meeting was convened by the State Economic Commission—China's annual planning body—and presided over by its chairman, Po I—po. Po's role in the conference and the selection of his long—time protegé, Ku Mu, to head the new central committee department reinforce the impression that Po's stature in the party is rising.

Peiping has not yet spelled out any reorganization plans it might have for enterprises, but has strongly implied that military-type political sections are being set up at this level. These bodies probably will take over responsibility for conducting "study groups" and political campaigns and for approving awards and promotions -- functions previously performed by labor unions and the party committee. Setting up an independent political section will not, however, change the essential role of the party committee, which remains the supreme authority in all enterprises.

Although regime propaganda claims that economic production is the ultimate aim of all political indoctrination, the immediate objective of the new political organs is "to prevent the inroad of bourgeois ideas and the influence of modern revisionism." By creating permanent indoctrination departments Peiping has clearly indicated that it intends to continue subjecting all elements of society to heavy doses of political indoctrination for a long time to come.

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The Communist World

PEIPING SCORES GAINS AT AFRO-ASIAN PREPARATORY MEETING

Chinese Communist efforts to exploit the preparatory sessions for the second Afro-Asian Conference, which were held in Djakarta from 10 to 15 April, have on balance been successful. Although the Chinese did not get all they wanted, they probably gained ground in their drive to dominate the Afro-Asian movement.

Peiping has consistently supported the idea of a "Second Bandung" conference, and its keen interest in the preliminary meetings was demonstrated by the speed with which it responded to a last-minute invitation. The formal Indonesian bid to the 22-nation conclave was apparently received by the Chinese on 6 April. Three days later Foreign Minister Chen Yi was on his way to Djakarta to head a strong delegation.

Chen achieved a major Chinese objective at Djakarta by blocking an Indian attempt to secure a place for the USSR at the full conference. By excluding the Russians, Peiping has sought to ensure that its attempts to identify the Soviet Union with former colonial oppression will not be effectively opposed. Moscow's sensitivity to continued Chinese attacks of this sort is demonstrated in Pravda's charge on 15 April that the Chinese are attempting to use the Afro-Asian movement for their own selfish aims "with a view to splitting and weakening this movement."

The Chinese are probably also pleased by the decision to

hold the second Afro-Asian conference in Africa. (The actual meeting place remains to be decided). This will enable them to parade Chinese importance in a key area, to refresh the contacts established by Chou En-lai and Chen Yi during their African tour last winter, and to work for an enlargement of the permanent Chinese presence. African representation at the meeting will provide a sympathetic audience for the militant, subtly racist Chinese line against colonialism.

Peiping is probably less happy over the delay of almost a year before the full Afro-Asian conference is convened. The decision at the preliminary sessions to hold the plenary meeting in March 1965 robs the Chinese of an opportunity to counterbalance the rival conference of nonaligned nations—pushed by Tito and Nasir—which is scheduled for this fall.

During the intervening months the Chinese can be expected to redouble their efforts to woo the Africans. Chen Yi's major speech to the delegates at Djakarta on 11 April probably sets the line Peiping will follow. Chen stressed the bonds of unity between all Afro-Asian states, binding despite differences between them, and urged the necessity for militant struggle against imperialism--which "will not step down from the stage of history of its own accord."

25X1



Asia-Africa

SHARP INCREASE IN MILITARY ACTIVITY IN SOUTH VIETNAM

Both Communist and South Vietnamese Government military activity increased sharply during the past few days. The Viet Cong launched seven major attacks in Six of these attacks eight days. were in the delta area. A training camp just south of Saigon was raided by a Viet Cong company, and two district capitals further south in the delta were hit by Viet Cong battalions. The remaining attacks involved Viet Cong company-size units against government outposts.

Communist small-scale and terrorist attacks also increased, especially against hamlets and transportation routes. The Viet Cong appear in part to be reacting to increased aggressive-ness and frequency of government operations throughout the country. They may also have believed that government pressure in the delta would relax as military units were relocated following corps boundary shifts there.

Government forces have counterattacked strongly, and casualties have been high on both sides. Government paramilitary forces also appear to have put up stiff resistance

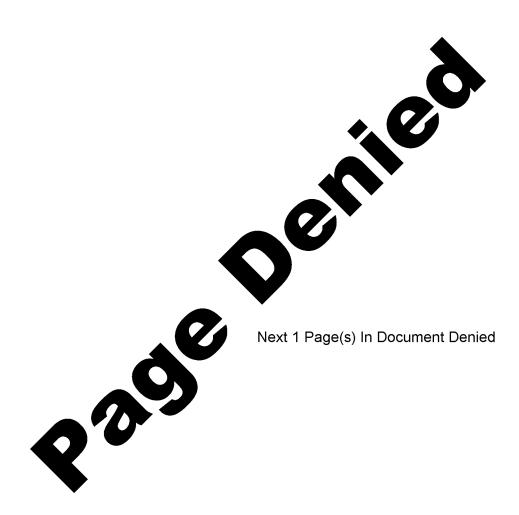
against larger attacking Viet Cong forces, and morale apparent-ly remains good.

On the political front, rumors of an imminent split between General Khanh and civilian members of his government have subsided. Several leading ministers publicly endorsed Khanh's position at a recent press conference in which he defended the abolition of the advisory Council of Notables and again outlined his plans for further democratization of his regime.

Criticism of Khanh's moves has appeared in several Saigon newspapers, however, and uneasiness persists in government circles.

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Laotian Premier Souvanna is about to open new talks with right-ist leader General Phoumi and Pathet Lao chief Souphannouvong. The three factional leaders will try to reach accord on measures directed toward national reunification.

Souvanna has indicated that a prime objective of the talks will be to bring back into the cabinet the Pathet Lao ministers who withdrew to the Plaine des Jarres a year ago, ostensibly for reasons of personal safety. To facilitate their return, the neutralist leader has indicated he will propose that the seat of government be shifted at least temporarily from rightist-controlled Vientiane to Luang

Prabang. Souvanna will also push for the formation of the integrated national army and the tripartite police force agreed on in 1962.

The Communists, meanwhile, have intensified their campaign to discredit Phoumi's rightist faction. On 30 March Prince Souphannouvong lodged a protest with the Geneva co-chairmen alleging that South Vietnamese forces are present with the rightist forces in southern Laos. In a parallel move the North Vietnamese on 12 April delivered a note to Souvanna charging that rightist forces had raided a North Vietnamese vilage and warning of "extremely grave consequences," if such actions continue.

25X1

ELECTIONS IN GABON FAIL TO STRENGTHEN MBA'S POSITION

The alleged victory of proFrench President Mba's supporters
in Gabon's 12 April legislative
elections cannot be expected to
strengthen his already shaky position. Mba's principal opponents,
including Jean Aubame, the popular
leader of the provisional government formed after the abortive
February coup, are all in prison.
However, opposition elements made
an unexpectedly strong showing in
the election which may well be
followed by more moves to oust Mba,
possibly by violence.

The lists of Mba-approved candidates were opposed by a number of parties, almost all of which were recently formed regional organizations. Mba's people claimed large pluralities in most rural areas, where other parties were prevented from campaigning. However, unofficial returns indicate that opposition elements together had a clear majority of the opular vote. In a relatively

more populous region in the north, where anti-Mba and anti-French sentiment is particularly high, Mba's list won less than 10 percent of the vote, while the list of Aubame supporters garnered 75 percent.

It appears, however, that the results the government will announce will give Mba a 31-16 majority in the National Assembly. This outcome depends on the official claim that his men won in two regions—one of which surrounds Libreville, the capital—where early returns indicated the opposition parties would be victorious. Mba may have fixed the returns there.

The strong showing of the opposition will increase pressure on Mba to compromise with it. However, he has shown no willingness to do so, and his principal opponents are unlikely to accept anything short of his ouster.

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SOUTHERN RHODESIAN PRIME MINISTER OUSTED

The forced resignation of Prime Minister Field on 13 April is the latest indication that Southern Rhodesia's 200, -000 whites are still drifting toward more extreme and inflexible positions, both on racial matters and on the question of the territory's independence. Their continued intransigence seems likely to accentuate the trend toward violence among the 3.7 million Africans.

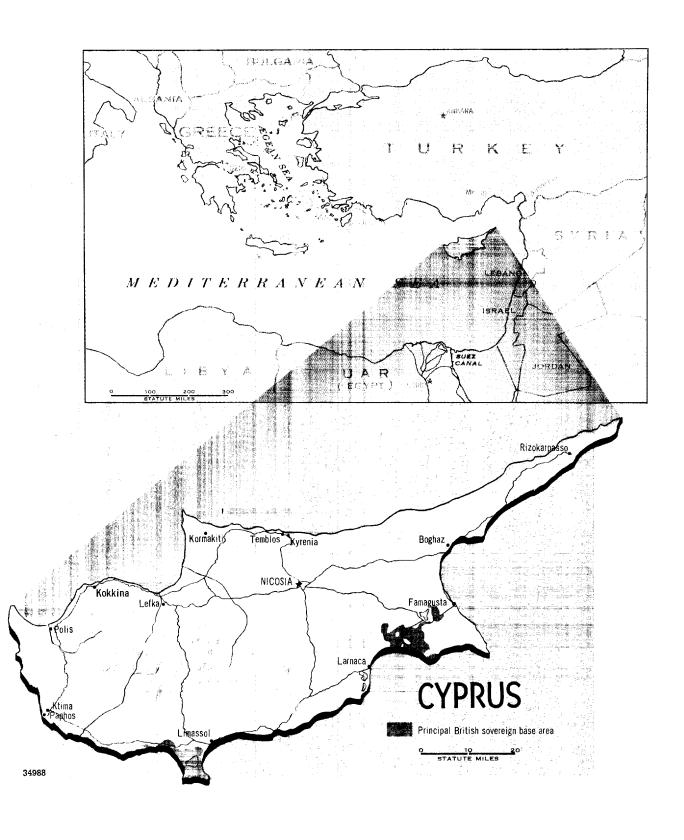
A majority within Field's Rhodesian Front party had long been dissatisfied with his leadership. In particular, this group felt he had not been forceful enough in his efforts to secure Southern Rhodesia's independence from Britain. Ian Smith, Field's successor, can be expected to press harder for independence, while using the formidable battery of existing security legislation to control the African nationalists.

Southern Rhodesia already has virtually de facto independence, but the drive for complete sovereignty under the present constitution—which assures white control for many years—has become an emotional issue for the whites. Britain has said that formal independence can come only when the constitution provides a broader base for African representation.

Sentiment is strong among the whites for a unilateral declaration of independence, despite the fact that an independent Southern Rhodesia under white control would have great difficulty obtaining international recognition. Field seems to have been convinced that independence would be a questionable blessing at best, but Smith and the majority of the Rhodesian Front apparently are willing to press forward willy-nilly.

Field's wing of the party might eventually split with Smith and join the relatively liberal white opposition party of Sir Edgar Whitehead. Defection of only three members of the Rhodesian Front would leave it in a minority in the legislature. Such a development might provide an opening for the return to politics of Sir Roy Welensky, last premier of the defunct Rhodesian Federation and still the most popular figure in Southern Rhodesia. Welensky formerly occupied a fairly conservative position in the white political spectrum, but, with the recent shift toward the right, he now appears relatively moderate. Even if he does re-enter politics, however, his considerable political abilities would be challenged by the extremist drift among the white electorate.

25X1



Asia-Africa

SPORADIC FIGHTING CONTINUES IN CYPRUS

25X1

The expected arrival of the Finnish and Irish contingents this coming week will bring the UN peace-keeping force to near its full strength of 7,000. Meanwhile, British and Canadian UN troops, who have been trying to arrange

cease-fires, have been fired

on by both sides.

Fighting between Greek and Turkish Cypriots has been concentrated mainly in the Kyrenia Pass area, with sporadic firing along the "Green Line," which separates the two communities in Nicosia. The Turkish Army contingent north of Nicosia has also been fired on, and its commander has warned that further attacks will lead to retaliation.

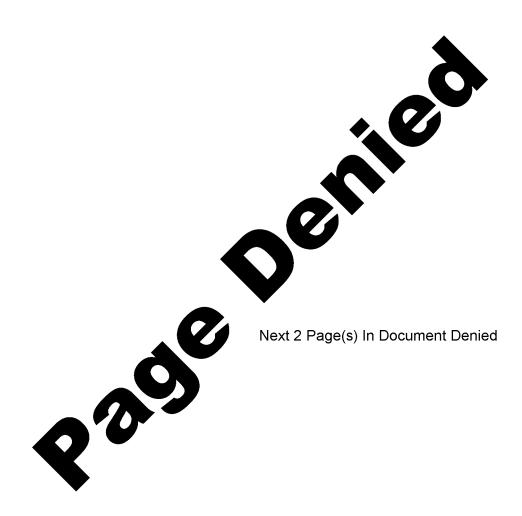
Ankara has stepped up its attacks on Greek privileges in Turkey and apparently is trying to use this kind of pressure to force Athens to make concessions

over Cyprus. Some Turks are demanding that the government move against the 60,000 ethnic Greeks who are Turkish citizens, and even against Orthodox Patriarch Athenagoras, as well as against some 10,000 Greek citizens residing in Turkey. So far, however, Ankara has confined most of its moves to the latter group. It has abrogated the 1930 treaty which gives Greek citizens special privileges, ordered the deportation of an increasing number of Greek residents, enforced business and professional restrictions on Greek nationals, and revoked the Turkish citizenship of some secondary figures in the Orthodox Patriarchate. Ankara has also restricted Greek travel privileges in Turkey and extended Turkish territorial waters from six to twelve miles, an action which will adversely affect Greek fishing interests.

Turkish-US relations are also being strained by the Cyprus controversy. The Turks complain more and more that the US is either unable or unwilling to bring pressure on Greece and on Makarios to ease the pressure on the Turkish Cypriots. Anti-Americanism is increasing in the press and among student groups. A left-wing columnist in a widely circulated independent newspaper has called for a review of US base rights in Turkey.

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Western Hemisphere

NEW BRAZILIAN GOVERNMENT INSTALLED

The almost complete preoccupation of Brazil's leaders with the purge of Communists and other subversives from the government and armed forces is yielding to the task of devising administration policies. The new president, General Humberto Castello Branco, assumed office on 15 April after his election by Congress to fill the unexpired term of ousted President Goulart. He will serve until January 1966, when the winner of the election scheduled for October 1965 takes over.

Widely respected in and out of the military, Castello Branco is generally regarded as an intellectual with no personal political ambitions. Although he lacks political experience, he is considered the logical choice to give unity to the provisional leadership.

The makeup of the new administration reflects a strong emphasis on career officials of pro-Western orientation. Both the foreign minister and the minister of finance, for example, have had long government experience in their fields. The three military ministers, notably War Minister Costa e Silva, are likely to exercise important influence on government policy in general.

The new government inherits a number of major problems, including Brazil's huge external debt, and inflation that continues to increase at the rate of more than 8 percent a month. There is also heavy pressure for social reforms and for overhauling the Communistridden labor movement.

Castello Branco possesses greatly increased executive powers to deal with these problems as a result of the socalled "institutional act" decreed last week by the military command which overthrew Goulart. For example, Congress now is required to act within 30 days on bills proposed by the administration. Failure to do so will constitute approval. The president also has been granted authority to propose constitutional amendments.

The "clean-up operation" against Communists and other extreme leftists continues, although at a somewhat slower pace. The military have revoked the mandates of some 40 congressmen and suspended their political rights, as well as the rights of many others. In the armed forces more than 120 officers, including approximately 25 generals and admirals, have been transferred to reserve status for political reasons.

Western Hemisphere

Argentina, Colombia, Chile, and Peru are among the growing number of Latin American governments which have announced they will continue relations with Brazil, but Mexico still has reservations. There is considerable pressure on the new regime to sever relations with

Cuba. Castello Branco reportedly said he intends to take a hard line on Cuba and has not ruled out a complete break. Havana's ambassador returned to Cuba with many of his staff shortly after the anti-Goulart revolt began.

25X1

UNCERTAINTY CONTINUES IN CHILEAN PRESIDENTIAL RACE

The three-way Chilean presidential race is settling down to hard campaigning, after the interruption caused by Senator Duran's withdrawal and subsequent renewal of his candidacy.

The large Radical Party (PR), for which Duran now is running, shows signs of closing ranks to deny support to Senator Salvador Allende, nominee of the Communist-Socialist front (FRAP). Some militant left-wing Radicals earlier had wanted the party to endorse Allende formally, and threatened to back him in any event. A few apparently are persisting in this desire.

Speculation continues about the possible effects of Duran's candidacy on the fortunes of Allende and the Christian Democratic (PDC) candidate, Senator Eduardo Frei. Liberal Party chairman Sepulveda has expressed the fear that Duran will take Liberal and Conservative votes away from Frei, which would give Allende the victory by "dividing the democratic forces."

Sepulveda, who would have preferred a single candidate—presumably Frei—to oppose Allende, added that the PDC left wing's hostile attitude toward the Chilean right may drive Liberals and Conservatives into the Duran camp.

Duran reportedly has indicated that if he finishes second, he will fight for election by Congress, which makes the final decision in the event no candidate receives a majority. Its present center-right majority and large PR delegation would strongly favor him over either Allende or Frei. Frei reportedly believes that this now is Duran's strategy.

To counter the Communist-Socialist appeal to the peasant vote, the PDC plans to increase its party workers in rural areas from 70 to 600. The PDC expects some Socialists will come out for Frei, but this would be significant mainly for its propaganda value.

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25X6

PRE-ELECTION TENSION IN GUATEMALA

There is rising dissatisfaction in Guatemala among both rightists and leftists barred from participation in the elections for a constituent assembly on 24 May. Any attempt by these or other opposition elements to cause trouble would give new opportunities to guerrilla forces. It could also lead the Peralta regime to reimpose the state of siege it lifted on 30 March.

The largely civilian administration under Colonel Peralta has a good record of economic and social accomplishment in the year since Guatemalan military leaders ousted President Ydigoras. Before lifting the state of siege, however, Peralta took pains to ensure government control over future political activity through decree legislation and some preventive arrests which were politically ill advised. Participation in the May election is to be restricted to three moderate leftist-to-centrist parties favored by the regime.

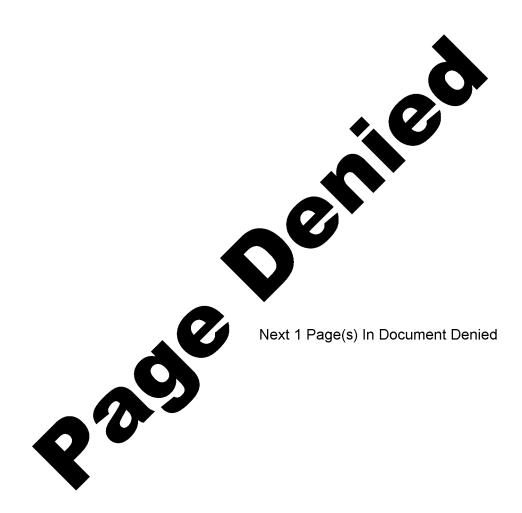
This has encouraged parties on the outside to work together. Parties which supported leftist former President Juan Jose Arevalo reportedly are again forming an opposition alli-

Some of their leaders are said to be discussing opposition tactics with guerrilla leaders. At the same time, rightists--including representatives of Ydigoras and perennial candidate Cruz Salazar--are also working to arouse public opinion against Peralta's schedule for a return to constitutionality by 1965. They may join leftists in efforts to postpone the elections and broaden the ground rules for political activ-If wealthy rightists conclude ity. that they have no chance to regain power electorally, they might try to oust Peralta.

On 11 April, guerrillas operating in the mountainous areas of Izabal Province murdered a second army officer whom they had marked for elimination because of his role in the government's extensive antiguerrilla efforts. The guerrillas' continued ability to make lightning attacks on specific targets of their own choice indicates that they are prepared to take advantage of political tensions and that they remain a latent threat.

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